BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Retail sales in the province strengthened in June, as retailers had their best month since last December.** The jump in sales (+2.1%, seasonally adjusted, from May's level) was more than enough to regain the ground lost in the previous month, when sales dropped 0.7%. Sales had been flat during the first five months of the year after spiking in December. The improvement in June was widespread among retail businesses; furniture stores were the only ones that did not benefit from increased spending by consumers.

  Nationally, retail sales advanced 0.8% in June after rising 0.5% in the previous month The gains of the last two months completely offset April's 1.1% decline. Sales were up in every province except Manitoba (-0.3%). Retailers in BC (+2.1%) and Nova Scotia (+2.4%) had the best performance, with more modest increases, ranging from 0.2% in New Brunswick and PEI to 1.1% in Alberta and Quebec, seen in the rest of the country.

  Source: Statistics Canada

- **During the second quarter, retail sales in the province were 5.5% higher than in the same period of 1999.** The improvement was widespread among retailers, with every major group increasing their sales. Automotive retailers (+9.4%) and drug stores (+7.6%) posted the biggest gain (+9.4%). Sales were slowest at general merchandise (+1.2%) and food (+2.6%) stores. Food prices in the province have been falling since the beginning of the year (average prices for food sold at stores fell 2.1% in the second quarter), and this has had a dampening effect on the receipts of grocery and other food stores. At the same time, a 20.7% increase in the cost of gasoline since the second quarter of 1999 helped boost cash register receipts in the automotive sector. A 9.2% increase in sales by automotive retailers was also an important factor in the automotive sector's strong growth. *Source: Statistics Canada*

- **An estimated 47,200 British Columbians received regular employment insurance (EI) benefits in June (seasonally adjusted).** This compares to 56,240 in the same month last year. Nationally, the total number of EI recipients was 375,440 in June. *Source: Statistics Canada*

Aquaculture

- **Revenues at finfish and shellfish farms in the province reached $294 million in 1999, an increase of 8.8% over the previous year.** After subtracting the cost of inputs used in fish farming activities, the value added to the economy by the province's aquaculture industry was estimated at $126 million last year. The total value added by all fish farm operations in the country was $241 million.

  BC fish farms generated half of the Canadian aquaculture industry's total operating revenue ($569 million) in 1999. Fish farms in New Brunswick ($181 million) accounted for another third of all revenues. Aquaculture operations in both provinces focus primarily on finfish (mainly salmon) production. In BC, $270 million of the industry's total operating revenues ($294 million) originated in finfish production. However, shellfish farming was also significant, with production valued at $11 million. Oysters, clams and scallops are the main products. BC and PEI have the biggest oyster farming industries in the country. Shellfish farming is the most important activity in PEIs aquaculture industry, but finfish farming dominates in the rest of the country.

  Source: Statistics Canada

Report **Migration and housing demand**

Did you know...

BC library users checked out an average of 11.8 items each last year. The miscreants who forgot to bring them back on time paid out $4.3 million in overdue fines–an average of $1.08 per capita.

Agriculture

- **On July 1, there were 14.3 million cows on Canadian cattle farms, 762,000 of them in BC.** Two-thirds of the Canadian cattle herd (9.8 million head) is located in the prairies.

  Hog farming is starting to recover from the price crash of 1998. There were 12.2 million hogs in Canada at the beginning of last month. More than half (7.0 million) of them were in Ontario and Quebec. Hog farming is also an important activity in the prairies, where the total stock was 4.8 million head on July 1. There were 139,000 hogs on BC farms. *Source: Statistics Canada*

Internet Access

- **One in ten Canadian households with an Internet connection in 1999 subscribed to high-speed access from a cable company.** The 61 Canadian companies offering this service in August 1999 had 364,081 subscribers (about 5% of the 7.3 million subscribers to basic cable services). One in five (70,484) of the high-speed cable users were located in BC and the territories. High-speed Internet access is most popular in the West, where 43% of the people who subscribe to this service–but just 34% of all Internet users–are located. Cable company revenues from high-speed Internet access totalled $113 million, an average of $311 per subscriber. *Source: SC, The Daily*

Unionization

- **In 1999, one in every three (513,000) workers in the province was a union member.** Another 23,000 had union coverage, meaning that they were not union members, but had jobs that were covered by collective agreements. Newfoundland (39%), Quebec (35%), Manitoba (35%) and BC (34%) were the most highly-unionized provinces in the country. Nationally, 30% of all employees were union members last year. Workers in Alberta (23%) and Ontario (26%) were least likely to belong to a union. Across Canada, unionization rates were higher than in the US, where only 14% of workers were union members.

  Union membership has increased during the first half of this year, rising from 3.6 million to 3.7 million at the national level. In BC, the unionization rate has increased to 35% of the work force, moving the province into third place, after Newfoundland and Quebec, in terms of union membership. *Source: SC, Catalogue 75-001-XPE*

- **Public sector workers (those employed in education, health and government services) are nearly four times as likely to be union members as people who work for private sector firms.** In 1999, eight out of ten (78%) public sector workers in the province were unionized. They made up more than half (264,000) of all the union members in BC. Of the 1.2 million workers in the private sector, just 21% belonged to a union. *Source: SC, Catalogue 75-001-XPE*

Road Collisions

- **In 1998, there were 42,410 traffic collisions reported to the police in BC.** These resulted in 418 fatalities. In addition, 29,900 people were reported injured in traffic accidents, an average of 81.9 per day. More than half (22,097) of the collisions involved property damage only. November was the worst month for accidents resulting in casualties, with 10% of all casualty accidents reported in that month. The best month was February (6%). However, the average number of people injured or killed per accident was highest in August.

  More casualty collisions occurred on Friday (17%) than on any other day of the week. Fatal accidents were most likely to happen on a Saturday (22%). The greatest number of collisions resulting in injuries occurred between 4 and 5 pm.

  Human errors or conditions (85%) were the most common factors contributing to casualty accidents, followed by environmental (13%) and vehicle (2%) conditions. Driving without due care (31%), failing to yield the right of way (22%), unsafe speed (16%), alcohol (12%) and following too closely (11%) were the most commonly cited factors in accidents causing injuries. In fatal accidents, the top five factors were driving without due care (35%), unsafe speed (33%), alcohol involvement (29%), failing to yield (9%) and weather conditions (9%).

  Source: Traffic Collision Statistics, 1998, ICBC

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

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Infoline Report:

Migration and housing demand

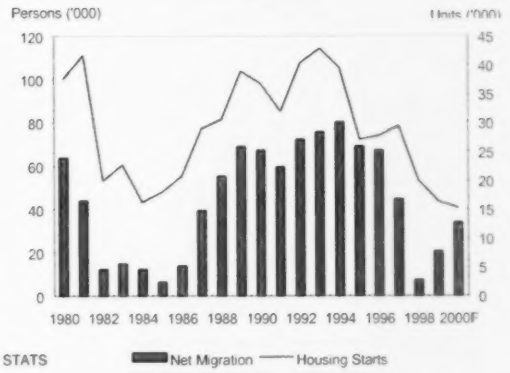
Contact: Ruth McDougall / (250) 387-0337

Originally published in First Quarter 2000 issue, *Migration Highlights*. Annual subscription: $30 + GST

Summary

The demand for housing is influenced by a number of factors that are both demographic and economic in nature. On the demographic side, population migration, the changing age structure of the population and the composition of households will influence the demand for housing. Economic factors such as housing prices, interest rates and wage rates will also influence housing demand. The type of housing demanded and the household size will also be influenced by these factors and consequently will vary considerably across different regions of the province.

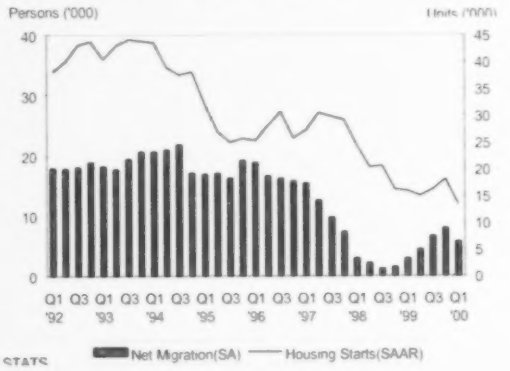
Household formation reflects changes in net migration



Migration to British Columbia from other parts of Canada and from other countries plays an important role in the demand for housing. There is a fairly strong relationship between net migration and changes in the housing stock, which represents the formation of new households in the province. As net migration weakened during the first half of the eighties, housing starts dropped sharply. The subsequent strong growth in net migration up to 1994 was accompanied by increases in housing starts in most years. As migration dropped from a net inflow of 80,000 persons in 1994 to 7,400 in 1998, housing starts declined from the peak of 42,800 units in 1993 to 19,900 in 1998. Even though net migration increased to 20,400 persons in 1999 and some further improvement is expected this year, the levels remain low by historical standards. As a result, housing starts continued to decline in 1999 and little improvement is expected this year.

The current quarterly data (seasonally adjusted) also reflects the ongoing weakness in the housing market. Although net migration has gradually increased over the last six quarters, the levels are relatively low and housing starts are still trending down, registering only 13,300 units (seasonally adjusted at annual rates) in the first quarter of the year.

The housing market remains weak despite some recovery in migration



There are a variety of economic factors, which affect housing demand. Mortgage rates and housing prices have an important influence on the affordability of housing. Interest rates for the average five-year residential mortgage, which had been stable around the 7% mark for 1997, 1998 and the first half of 1999, had risen to 8.3% by the first quarter of this year. These increases along with the uncertainty of further increases in the next few months have dampened the current demand for new housing.

When housing supply cannot keep pace with the demand for housing, the market compensates with price increases. On the other hand, an excess supply of housing may result in price decreases. The large changes in migration flows

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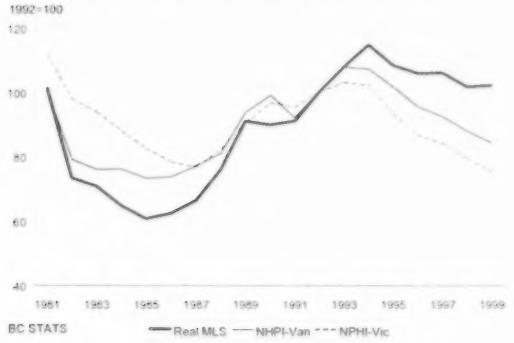
that have occurred over the last twenty years have played an important role in the fluctuation of housing prices.

Migration influences housing prices



From 1985 to 1994, the average real MLS selling price of housing in B.C. rose steadily, apart from a levelling off in 1990 and 1991. However, between 1994 and 1999 prices have fallen by 11%. The drops in the New Housing Price Index (NHPI) over the last five years for Vancouver (-21%) and Victoria (-26%) have been even larger, with the Victoria prices reaching their lowest levels since 1981. Note that the average MLS price measure reflects both changes in the price of housing and the mixture of housing being sold (e.g. shifts from sales of condominiums to sales of single-family houses would tend to offset general price declines).

Other demographic factors, which influence housing demand, include the age structure of the population and the makeup of households and families. For example, increases in the number of separations and divorces could result in an increase in the formation of new households, while increases in the number of children per family could influence the type of housing required.

The size of households and the type of housing demanded varies considerably across different parts of the province. At the provincial level, the average of 2.6 people per household has not changed between the 1991 and 1996 Censuses. However, at the regional level there have been movements in both directions. The average size of households has increased over the five year period in both the Mainland/Southwest and Northeast development regions, while in other parts of the province it has decreased or remained stable. The increase from 2.6 to 2.7 persons per household in the Mainland/Southwest is likely related to the strong growth in immigration experienced during the last few years.

Average Number of Persons per Household

Development Region	1991	1996
Vancouver Island/Coast	2.5	2.4
Mainland/Southwest	2.6	2.7
Thompson-Okanagan	2.5	2.5
Kootenay	2.5	2.5
Cariboo	2.9	2.8
North Coast	3.0	2.9
Nechako	3.0	2.9
Northeast	2.8	2.9
British Columbia	2.6	2.6

Source: Statistics Canada. 1991 and 1996 Census of Canada.

There have also been shifts in the distribution of the type of housing between 1991 and 1996. At the provincial level, the share of single-detached housing fell from 58.6% in 1991 to 56.2% in 1996, while the share of all forms of multiple dwellings increased, with the relative increase being strongest for detached duplexes and row houses. Some of the shift from single houses to duplexes may reflect the addition of a secondary suite within a former single-detached house.

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BC at a glance . . .

POPULATION (thousands)	Jan 1/00	% change on one year ago
BC	4,043.7	0.9
Canada	30,606.7	0.9
GDP and INCOME		
(BC - at market prices)	1998	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	110,948	-0.2
GDP *($ 1992 millions)*	99,708	0.2
GDP *($ 1992 per Capita)*	24,908	-0.8
Personal Disposable Income *($ 1992 per Capita)*	15,969	-1.6
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	3,238	7.5
Merchandise Exports (raw) Jun	2,838	14.3
Retail Sales (seasonally adjusted) Jun	2,960	6.2
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jul '00	% change on one year ago
BC	114.2	2.0
Canada	114.1	3.0
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jul '00	% change on one year ago
Labour Force - BC	2,077	0.0
Employed - BC	1,929	1.6
Unemployed - BC	148	-16.6
		Jul '99
Unemployment Rate - BC *(percent)*	7.1	8.5
Unemployment Rate - Canada *(percent)*	6.8	7.6
INTEREST RATES (percent)	Aug 23/00	Aug 25/99
Prime Business Rate	7.50	6.25
Conventional Mortgages - 1 year	7.90	7.05
- 5 year	8.25	7.80
US/CANADA EXCHANGE RATE	Aug 23/00	Aug 25/99
(avg. noon spot rate) Cdn $	1.4875	1.4959
US $ *(reciprocal of the closing rate)*	0.6736	0.6682
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Jul '00	% change on one year ago
BC	635.92	1.6
Canada	613.47	3.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

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- Business Indicators, August 2000
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